



Request for City Council Committee Action
from the Department of Community Planning and Economic Development

Date: September 10, 2013

To: Council Member Lisa Goodman, Chair, Community Development Committee

Referral to: Council Member Betsy Hodges, Chair, Ways & Means/Budget Committee

Subject: 1401 Central Avenue NE (MnDOT Temporary Easement for BNSF Bridge Reconstruction Project)

Recommendation:

1. Authorize staff to execute and deliver to MnDOT a limited area temporary easement over a portion of the City-owned property at 1401 Central Avenue NE for the period from the date of execution through July 1, 2015 in connection with MnDOT's planned reconstruction of the BNSF railroad bridge over Central Avenue, in exchange for a payment by MnDOT in the amount of \$18,100 as compensation for the easement, and subject to the City Attorney's review and approval of the format and content of the easement document.
2. Increase the 2013 Revenue Budget for the Community Planning & Economic Development agency Fund 01CAZ – Common Project Uncertified (01CAZ-8900320-348501) by \$18,100.

Previous Directives: None.

Prepared by: Kevin Carroll, Principal Project Coordinator	
Approved by: Catherine A. Polasky, Director of Economic Development	<u>CAP</u>
Funding Source and Appropriation Language	
Reviewed by Development Finance:	<u>EL</u>
Presenter in Committee: Kevin Carroll, Principal Project Coordinator, 612-673-5181	

Financial Impact

_____ Action requires an appropriation increase to the Capital Budget _____ or Operating Budget _____

X Action provides increased revenue for appropriation increase

Dept Name: CPED (8900320)
Fund Name: 01CAZ – Common Project Uncertified
Amount: \$18,100

☒ Action is within the Business Plan

Community Impact

Neighborhood Notification:

On July 24, 2012, MnDOT conducted a public open house to explain the rail bridge reconstruction project and answer questions. A second MnDOT open house will be conducted within the next few months.

City Goals: Jobs and Economic Vitality; Livable Communities.

Sustainability Targets: Not applicable.

Comprehensive Plan: The proposed railroad bridge reconstruction project is in compliance or will comply.

Zoning Code: The proposed railroad bridge reconstruction project is in compliance or will comply.

Other:

Living Wage/Business Subsidy Agreement: Yes _____ No ☒
Job Linkage: Yes _____ No ☒

Supporting Information:

The existing railroad bridge spanning Highway 65/Central Avenue between 14th Avenue NE and 18th Avenue NE was constructed in 1924 and currently carries two sets of tracks owned by Burlington Northern Santa Fe (BNSF) Railroad. The bridge has aged and needs to be replaced. MnDOT, the City of Minneapolis and BNSF have been working together to develop the design and construction plans for the new bridge. The anticipated work will include replacing the existing bridge with a newer structure, raising the existing vertical clearance for Highway 65/Central Avenue traffic, resurfacing Highway 65/Central Avenue between 14th Avenue NE and 18th Avenue NE, and constructing new sidewalks and retaining walls.

On July 24, 2012, MnDOT conducted a public open house to explain the bridge reconstruction project and answer questions. A follow-up open house will likely be conducted within the next few months. MnDOT currently plans to solicit bids and select a contractor by January of 2014. Construction is expected to begin in the spring of 2014 and continue through the fall of 2014, by which time the project will be substantially complete. A small amount of follow-up work may be required through the winter of 2014-2015 and into the spring or early summer of 2015.

In order to be able to continue using the train tracks in question during the demolition of the existing bridge and the construction of its replacement, BNSF will need to construct a

temporary rail bypass (a “shoefly,” in railroad parlance) around the construction zone. This will necessitate constructing an earthen berm across Central Avenue on the south side of the bridge and placing two sets of temporary tracks on it. This will have the effect of closing the portion of Highway 65/Central Avenue between 14th Avenue NE and 18th Avenue NE to vehicles, bicyclists and pedestrians from late May of 2014 through the late fall of 2014.

The City of Minneapolis owns a vacant triangular-shaped development parcel at 1401 Central Avenue NE. This property is located near the bridge reconstruction site and adjacent to the eastern portion of the shoefly described above. MnDOT recently commenced a condemnation action against certain nearby property owners, including the City of Minneapolis, seeking various temporary and permanent easements needed for the bridge project. The court hearing to determine whether MNDOT’s petition for condemnation will be granted is scheduled for October 2, 2013.

MnDOT’s initial request regarding the 1401 Central property was for a temporary easement over the entire parcel through December 1, 2015. MnDOT indicated that it wanted the easement for the staging or storage of construction materials, and for access to the southern slope of the shoefly berm described above. City staff members advised MnDOT of the City’s interest in (a) shortening the length of the easement term and (b) reducing the area of the easement, in order to help preserve potential near-term City redevelopment opportunities for the property.

Ongoing negotiations between the City and MnDOT resulted in an agreement whereby MnDOT reduced the easement area by approximately 2/3 (see attached illustration) and changed the easement termination date from December 1, 2015 to July 1, 2015. The resulting easement area is limited to a relatively narrow band along the northern boundary of the 1401 Central property, leaving the remainder of the parcel available for the initial construction phase(s) of any future redevelopment opportunity that might be recommended by City staff and approved by the City Council. Developers have recently expressed interest in the property, and staff plan to pursue marketing the property through a Request for Proposals process in the fall of this year.

MnDOT’s original request for a temporary easement over the 1401 Central property was accompanied by proposal regarding compensation that would be paid to the City for an easement over the entire parcel. MnDOT has pro-rated that initial offer to reflect the reduced land area referred to above and the shortened easement term. The revised settlement offer is \$18,100. CPED ordered an independent appraisal of the proposed easement, which indicated that the amount offered by MnDOT is fair and reasonable under the circumstances.

Accordingly, the staff recommendation is that the City Council authorize staff to execute a limited area temporary easement for a portion of the property at 1401 Central Avenue NE as described in this report through July 1, 2015 for the amount of \$18,100, subject to the City Attorney’s review and approval of the format and content of the easement document.

S.P. 2710-42

LOTS 2,3,4,5,6,7, AND 8, BLK 3, CHUTE BROS. CENTRAL AVE. ADD. TO MPLS.								
PARCEL NUMBER	MN/DOT PLAT	OWNER	CONTIGUOUS PROPERTY	ENTIRE TRACT WITHOUT ROADS	BALANCE	TEMPORARY EASEMENT		PERMANENT R/W INTEREST
				SQ. FEET	SQ. FEET	SQ. FEET	EXPIRES	
32		City of Minneapolis	Lots 2,3,4,5,6, 7, and 8, Blk 3, Chute Bros. Central Ave. Add. to Mpls.	30059	30059	10322	7/01/2015	



MINNESOTA DEPARTMENT OF TRANSPORTATION

Topographic information required: Proposed R/W line & access taking.

Lot lines & dimensions.

Show north arrow.

Outline & location of buildings & improvements. Streets or highway frontage.

C.S. 2710(65=105)903

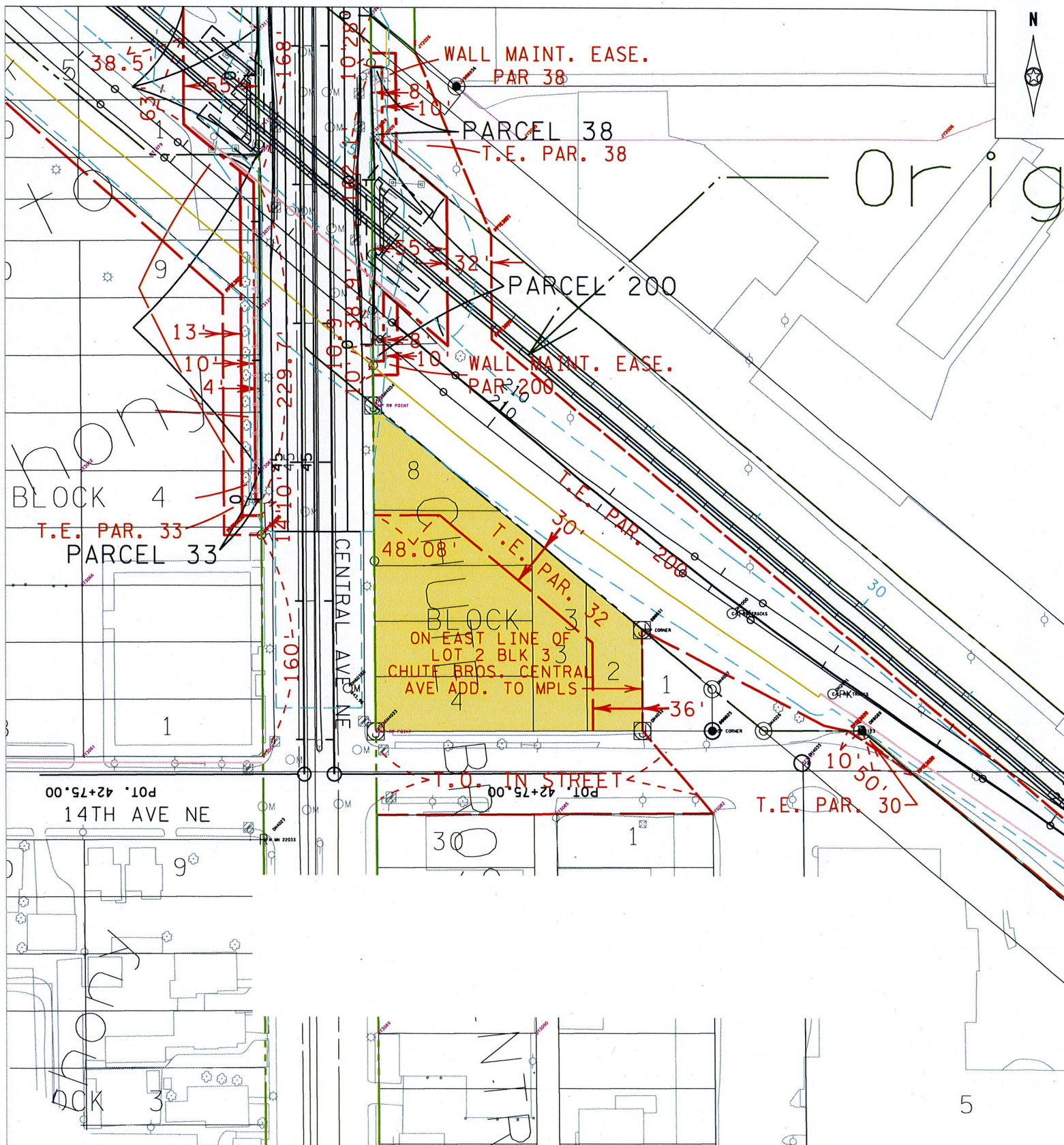
S.P. 2710-42

COUNTY Hennepin

PARCEL NO. 32

OWNER City of Minneapolis

Scale 1" = 100 ft.



April 1, 2013
2710-903-32

Parcel 32 C.S. 2710 (65=105) 903

S.P. 2710-42RW

All of the following:

A temporary easement for highway purposes in that part of Lots 2, 3, 6, 7 and 8, Block 3, Chute Bros. Central Ave. Addition to Minneapolis, shown as Parcel 32 on Minnesota Department of Transportation Right of Way Plat Numbered 27-211 as the same is on file and of record in the office of the Registrar of Titles in and for Hennepin County, Minnesota, by the temporary easement symbol; the title thereto being registered as evidenced by Certificate of Title No. 1320174, said easement shall cease on July 1, 2015, or on such earlier date upon which the Commissioner of Transportation determines by formal order that it is no longer needed for highway purposes.

THIS ARTICLE IS SUBJECT
TO CHANGES AS REQUIRED
WITHOUT PREVIOUS NOTICE

DATE ISSUED: 9/5/13 *SPH*